

September 30, 2001

TO: TRANSIT AGENCIES AND CERTIFIED PUBLIC ACCOUNTANTS  
PERFORMING PUBLIC TRANSPORTATION AUDITS

SUBJECT: FY 2001 Audit Information for September 30th Year-Ends

I. INFORMATION NECESSARY TO CALCULATE STATE OPERATING ASSISTANCE

A. Reimbursement Amount:

Based on the budgeted distribution, nonurbanized areas and urbanized areas under 100,000 population received the following percentage of their eligible operating expenses.

FY 2001: 45.386751206 percent

Urbanized areas over 100,000 population received the following percentage of their eligible operating expenses.

FY 2001: 38.001244509 percent

There is a fixed amount of state funds available statewide and the percentages change based on the statewide eligible expenses. The FY 2001 percentages are calculated based on budgeted eligible operating expenses. FY 2001 percentages will be recalculated after total eligible operating expenses are determined based on the preliminary reconciliation and the audited close out.

B. Statutory Cap:

Nonurbanized areas and urbanized areas under 100,000 population can receive up to 60 percent of eligible operating expenses. Urbanized areas over 100,000 population can receive up to 50 percent of eligible operating expenses.

C. Mandatory Floor:

An agency must receive, as a minimum, the amount received for eligible operating expenses in FY 1997, contingent upon the local share requirements set forth in Act 51, as amended.

## II. INFORMATION RELATING TO FEDERAL FUNDING AND REIMBURSEMENT

- A. Each funding source (Section 5307 and Section 5311) needs to be shown separately in the audit.
- B. Nonurban eligible expense percentages for Section 5311 operating assistance is 10.95 percent for fiscal year ending September 30, 2001.

## III. PERCENTAGE OF ASSOCIATIONS DUES ELIGIBLE FOR REIMBURSEMENT under State Operating Assistance and Section 5311 Operating Assistance for fiscal year ending September 30, 2001.

	<u>FY 2001</u>
MASSTrans	92.8 Percent
MPTA	92.2 Percent
APTA	86.0 Percent

## IV. SPECIAL POINTS

- A. Clearly identify all grants in the financial statements and supplemental information. All grants should have the contract number as well as a meaningful title. Grants should be clearly identified on such things as the revenue schedules, the Schedule of Expenses by Contract and General Operations, and the Ineligible Expense Schedule if a grant amount is included in total eligible expenses and then must be backed out as ineligible. PTD will not accept any audit that fails to clearly identify all grants on all of the applicable schedules.
- B. For October 1, 2000 through September 30, 2001, the Local Public Transit Revenue and Expense Manual dated October 1, 1997 is in effect. However, the Local Public Transit Revenue and Expense Manual dated October 1, 2001 through September 30, 2002 can also be used as a reference. The Local Public Transit Revenue and Expense Manual dated October 1, 2001 through September 30, 2002, as well as this letter, can be found at our website, [www.mdot.state.mi.us/uptran/ptd](http://www.mdot.state.mi.us/uptran/ptd). **This is the last year that this letter will be mass mailed. Starting September 30, 2002, this letter will be posted on our website and will be mailed only to individuals upon request.**
- C. Two copies of the annual CPA audit must be submitted to the Michigan Department of Transportation's Passenger Transportation Division. When mailing us the CPA audit, please mail to the following address:

Trish D'Itri, Auditing Specialist  
Michigan Department of Transportation, UPTRAN  
P. O. Box 30050  
Lansing, Michigan 48909

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If you have any questions or if you need this information in an alternative format, please contact Trish D'Itri at (517) 335-2535.

Sincerely,

Kip Grimes, Administrator  
Passenger Transportation Division  
Urban and Public Transportation

Enclosures  
KG:TD:sd